



Virginia Stephens
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To: Andrea Sarzynski/WHO/EOP@EOP
cc:
Subject: Energy Task Force comments

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"Linda F. Baker" <lbaker@will.state.wy.us>
10/01/2001 03:21:53 PM

Record Type: Record

To: Edward A. Boling Energy Task Force/CEQ/EOP@EOP
cc:
Subject: Energy Task Force comments

To the Chair:

Please accept these comments for the Energy Streamlining Task Force,
attached as a Word document. Please let me know if you are unable to open
and I can send in another format.

Thanks,
Linda Baker
Pinedale, Wyoming



- Energy Task Force doc2.doc

October 1, 2001

Chair, Council on Environmental Quality
Executive Office of the President
17th and G Streets, NW
Washington, DC 20503
Attn: Task Force

Western Organization of Resource Councils
2401 Montana Avenue, #301
Billings, Montana 59101

Linda F. Baker, member
Wyoming Outdoor Council
P.O. Box 1262
Pinedale, WY 82941

To the Chair of the Energy Streamlining Task Force:

Thank you for providing this opportunity to comment on the importance of environmentally sound production and transmission of energy. The Western Organization of Resource Councils is a diverse coalition of groups from nine western states advocating for a responsible energy policy.

I am from the Upper Green River Valley in Pinedale, Wyoming. Next to the Powder River Basin in northeast Wyoming, the Jonah II and Pinedale Anticline gas fields here are among the most productive and promising natural gas plays currently in the United States. Because of my long-term involvement in management of the Pinedale Anticline and the Jonah Natural Gas projects, and membership in several regional and national environmental groups, I have become very familiar with resource needs in western Wyoming. I would like to address the mission of the Energy Streamlining Task Force as it applies to all energy-related projects, including the Pinedale Anticline. I will use the CEO website recommended guidelines.

Energy Streamlining Task Force

- Name of the project: Pinedale Anticline Natural Gas Exploration and Development Project.
- Entities proposing the project: Pinedale Anticline operators, including: Alpine Gas Company, Anschutz Exploration Corporation, BP, HS Resources, Inc., McMurry Oil Company, Questar Exploration & Production, Ultra Resources, Inc., Yates Petroleum Corporation, Western Gas Resources, Inc., Jonah Gas Gathering Company, and other companies.
- Category of the project: Natural gas.
- Brief description of the project: A proposal by the Pinedale Anticline operators to drill new exploration and development wells in their leased acreage within the Pinedale Anticline Project Area (PAPA), which covers approximately 197,345 acres in western Wyoming. The Operators' proposal would provide for the continued exploration for natural gas and, where discoveries occur, the development of the gas resource by drilling up to 900 new wells to achieve 700 producing locations over the next 10 to 15 years.

- Agencies that must be consulted and agencies from which approval is needed: Bureau of Land Management, U.S. Army Corps of Engineers, U.S. Forest Service, State of Wyoming (including the Department of Environmental Quality, State Historic Preservation Office, Department of Transportation, Office of State Lands and Investment, Wyoming Oil and Gas Conservation Commission, and Game and Fish Department).
- Reason for bringing the project to the task force's attention: To emphasize the importance of environmentally sound energy production. The BLM has determined that additional exploratory and developmental drilling on the Pinedale Anticline could cause significant adverse impacts to the human and natural environments. The following suggestions will improve the completion of this and other energy-related projects while maintaining safety, public health, and environmental protections.
- Suggestions for improving federal agencies' process:

Background:

The Pinedale Anticline Record of Decision (ROD) includes the utilization of Adaptive Environmental Management (AEM). The AEM process creates a framework for monitoring of and mitigation for all natural resources within the project area that will be impacted by natural gas development. There is a great deal of uncertainty regarding how the environment will react to future development in the PAPA. The project area contains some very unique natural resources.

The New Fork and Green rivers run on the east and west sides of the project area. The historic Lander Trail runs through the project's middle. Sagebrush and high desert vegetation blending with riparian areas and extensive wetlands dominate the landscape. Along the rivers, ranching and hay production are the most prominent industries. Scenery in the area is outstanding, with the Wind River Range to the east and the Wyoming Range to the west. Significant wintering populations of big game, including mule deer, antelope and moose use portions of the PAPA, and much of the northern half of the project area is considered crucial winter range for these species. Raptor nests are abundant along the rivers and sage-grouse populations are the strongest within their entire range.

A carefully prepared and thoroughly evaluated AEM plan and process is the appropriate management tool for dealing with the uncertainties of where and to what level development will proceed. Already unanticipated impacts have been documented in new mule deer and sage-grouse studies, making the Pinedale Anticline a perfect opportunity for innovative research. An AEM plan will provide a mechanism for continuously modifying management practices in order to allow continued exploration and development while continuing to protect the environment. Indeed, section 102(2)(B) of NEPA calls for *"methods...which will insure that presently unquantified environmental amenities and values may be given appropriate consideration."* CEQ regulations (40 CFR 1505.2 (c) and (d) state, *"a monitoring and enforcement program shall be adopted and summarized where applicable for any mitigation,"* and agencies *"may provide for monitoring to assure that their decisions are carried out and should do so in important cases (emphasis added)."*

Unfortunately, the BLM has stated (Record of Decision, EIS Pinedale Anticline Oil and Gas Project, C-5). *"The BLM and the cooperating agencies lack the resources to adequately fund the implementation of monitoring programs specified. While the BLM and cooperating agencies need to be thoroughly involved in all aspects of monitoring, the majority of costs to implement these monitoring programs will have to be borne by the operators."*

The Operators and all interested and affected parties have willingly and in good faith attended Pinedale Anticline AEM Working Group meetings since the ROD was signed in July of 2000. As a volunteer on several AEM task groups I have witnessed the process of collaboration forge working solutions. However, Yates Petroleum Corp. has recently taken the BLM to federal court to challenge the legality of the AEM process. Yates has claimed in AEM meetings, and understandably so, that it is vital that the Operators be able to anticipate the coming year's expenses. But because of the uncertainty regarding the extent and longevity of required monitoring, Operators are unable to determine future costs.

Consequently AEM management has now come to a halt. Although drilling and exploration continue, there is currently no managerial oversight, leaving the BLM and Operators open to litigation.

Proposal:

The opportunity now exists for improving energy development in an environmentally sensitive manner. This proposal creates a **Natural Resources Investment Fund** in which a percentage of revenues from traditional onshore energy development are redirected for several years to accrue a substantial dedicated fund in the U.S. Treasury. In conjunction with matching funds from operators, the earnings are then used for planning, monitoring, habitat improvement and other necessary mitigation of energy projects such as the Pinedale Anticline Natural Gas project.

The BLM and state Game & Fish agencies are capable, in conjunction with this or any AEM taskforce, of creating an efficient, comprehensive and scientifically-sound database that outlines anticipated impacts, monitoring requirements, and mitigation for the nation's natural resources during energy development. Indeed, the Pinedale Anticline AEM Working Group meetings have already produced management plans from six task groups that provide mitigation for prevention of resource damage and consider reclamation, wildlife, water, cultural/historic, air and transportation issues. The existing AEM process coordinates the efforts of federal, state, and local governments, agriculture, conservation groups, energy producers and Tribal members, and provides a regional solution to national energy issues.

With a clear funding source to complete monitoring requirements, the AEM process can become an outstanding management tool. Local businesses and culture benefit, as do the unique characteristics of specific geographic areas in which increased permitting activity is expected.

Pinedale Anticline Permitting Issue #2:

In the Pinedale Anticline ROD, BLM selected the Resource Protection Alternative as a means of protecting the crucial winter habitat mentioned above. Yet the Pinedale BLM has granted almost all exceptions requested by Operators for extension of time to drill in that crucial habitat. This in essence makes exceptions the norm, and ignores the resource protection intended by the ROD and by NEPA.

The Task Force may address this major issue as a means for improving the permitting process. It may ensure that the long, expensive NEPA process is correctly maintained as a method for protection of all environmental resources.

We very much appreciate your interest in and consideration of this proposal. Again, thank you for this opportunity to comment.

Yours truly,

(signed)

Linda F. Baker;

Member groups of the
Western Organization of Resource Councils